

DIRECT TESTIMONY OF
ALLEN W. ROOKS
ON BEHALF OF
DOMINION ENERGY SOUTH CAROLINA, INC.
DOCKET NO. 2020-229-E

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT**
2 **POSITION.**

3 A. My name is Allen W. Rooks. My business address is 400 Otarre Parkway,
4 Cayce, South Carolina 29033. I am employed by Dominion Energy Southeast
5 Services (“DESS”) as Manager of Electric Pricing and Rate Administration for
6 Dominion Energy South Carolina, Inc. (“DESC”).

7
8 **Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS**
9 **EXPERIENCE.**

10 A. I graduated from the University of South Carolina (“USC”) in May 1995 with
11 a Bachelor of Science Degree in Business Administration with a major in
12 Management Science. In May 2002, I earned a Master of Business Administration
13 Degree at USC. Since joining SCANA Corporation on a full-time basis in July
14 1996, I have held analytical positions within the Rates & Regulatory and Financial
15 Planning Departments. I have participated in cost of service studies, rate
16 development and design, financial planning and budgeting, rate surveys, responses

1 to regulatory information requests, and rate evaluation programs primarily for
2 DESC's electric operations. I assumed my present position with SCANA Services,
3 Inc. in April 2014, and have stayed in this position with DESS. I am a member of
4 the Southeastern Electric Exchange Rates and Regulation Section and served as
5 Chairman of the group during the 2013 calendar year.
6

7 **Q. PLEASE BRIEFLY SUMMARIZE YOUR DUTIES WITH DESC.**

8 A. As Manager of Electric Pricing and Rate Administration, I am responsible
9 for designing and administering DESC's electric rates and tariffs to comply with
10 regulatory orders and relevant state statutes.
11

12 **Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE THE**
13 **PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**
14 **(“COMMISSION”)?**

15 A. Yes, I have testified before the Commission in previous proceedings.
16

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
18 **PROCEEDING?**

19 A. The primary purpose of my testimony in this proceeding is to sponsor the
20 Solar Choice Tariffs that DESC is proposing (collectively, the “Solar Choice
21 Tariffs”) and to discuss the components included therein. I will also address the

1 transition of existing Net Energy Metering (“NEM”) customers to the new Solar
2 Choice Tariffs.

3
4 **Q. HAVE YOU INCLUDED ANY EXHIBITS WITH YOUR TESTIMONY?**

5 A. Yes, I have included DESC’s proposed tariff for residential customers as
6 Exhibit No. ____ (AWR-1) and DESC’s proposed tariff for small general service
7 customers as Exhibit No. __ (AWR-2).

8
9 **Q. WHY IS DESC PROPOSING THE SOLAR CHOICE TARIFFS?**

10 A. S.C. Code Ann. § 58-40-20-(F)(1) requires the Commission to “establish a
11 ‘solar choice metering tariff’ for customer-generators to go into effect for
12 applications received after May 31, 2021.” Once approved, the Solar Choice Tariffs
13 will serve as the next generation of NEM that was first established under Act 236.

14
15 **Q. PLEASE LIST AND DESCRIBE THE NEM TARIFFS CURRENTLY**
16 **AVAILABLE TO DESC CUSTOMERS AND BRIEFLY DESCRIBE THE**
17 **TRANSITION TO THE SOLAR CHOICE TARIFFS PROPOSED IN THIS**
18 **DOCKET.**

19 A. The current NEM riders (collectively, the “Current NEM Program”)
20 originated in Act 236 proceedings as part of a settlement in Docket No. 2014-246-
21 E.

1 DESC's Rider to Retail Rates – Second NEM for Renewable Energy
2 Facilities, which allows 1:1 annual netting of energy on retail electric service rates,
3 was closed to new customers effective May 4, 2019. Existing customers taking
4 service under this Rider can continue to do so through December 31, 2025. At that
5 time, these customers would have the option to transition to the Solar Choice Tariffs.

6 DESC's Rider to Retail Rates – Third NEM for Renewable Energy Facilities,
7 is essentially the same in content as the Second NEM Rider discussed above, except
8 that its availability is limited to the time period of May 17, 2019 – May 31, 2021.
9 Customers establishing service under this rider may continue to receive service
10 under its terms through May 31, 2029. At that time, these customers would have
11 the option to transition to the Solar Choice Tariffs.

12 As discussed in Docket No. 2019-182-E (the "Generic Docket"), the Current
13 NEM Program was designed to encourage the adoption of rooftop solar, and it has
14 achieved that goal, resulting in approximately 90 MW of NEM capacity in DESC's
15 retail electric service territory. Also, there are approximately 7 MW of additional
16 approved NEM applications in process as of the filing date of this testimony.

17 Although the Current NEM Program was successful in accelerating the
18 growth of rooftop solar in South Carolina, the purpose of this docket is to approve
19 Solar Choice Tariffs that will serve as the next generation of NEM in South Carolina
20 and will be effective for customers submitting applications after May 31, 2021.

1 **Q. DID DESC CONSIDER WHETHER ADDITIONAL MITIGATION**
2 **MEASURES ARE WARRANTED TO TRANSITION EXISTING**
3 **CUSTOMER-GENERATORS TO THE SOLAR CHOICE TARIFFS?**

4 A. From a customer perspective, as DESC Witness Robinson discusses in
5 greater detail, existing data suggests that full payback could be achieved for
6 customers taking service under the Current NEM Program prior to the transition to
7 these Solar Choice Tariffs. Accordingly, DESC does not believe any additional
8 mitigation measures are warranted for existing customer-generators.

9 From DESC's perspective, if the Solar Choice Tariffs are adopted as
10 proposed, DESC does not currently envision any billing system and metering
11 mitigations required to implement these tariffs.

12
13 **Q. PLEASE DESCRIBE THE SOLAR CHOICE TARIFFS THAT DESC IS**
14 **REQUESTING THE COMMISSION TO APPROVE IN THIS DOCKET.**

15 A. The Solar Choice Tariffs include a cost-based Basic Facilities Charge
16 ("BFC") as well as a subscription fee for renewable generators based upon their
17 system size, a minimum subscription fee, time of use ("TOU")-based energy
18 charges, and time-based avoided cost credits. Each is discussed in more detail
19 below.

20 • For residential customers:

- 1 ○ The proposed BFC charge is \$19.50 per month. This charge is required to
2 recover DESC's customer-related costs as outlined in DESC's current rate
3 case docket (2020-125-E).

- 4 ○ The proposed Subscription Fee is \$5.40 per kW of installed renewable
5 generation capacity. This fee is intended to recover the fixed transmission
6 and distribution system costs for residential customers on the DESC system,
7 as more fully discussed by DESC Witness Everett. The Solar Choice Tariff
8 also includes a minimum monthly Subscription Fee of \$16.20, which is based
9 upon a system size of 3 kW multiplied by the amount of the Subscription Fee
10 listed above.

- 11 ○ The tariff includes TOU periods, with on-peak hours of 5:00 A.M. to 9:00
12 A.M. during winter months (December through February) and 4:00 P.M. to
13 8:00 P.M. during summer months (June through September). These time
14 periods will align more closely with DESC's projected future peak periods
15 for energy usage. The proposed energy charges are \$0.18417 per kWh for
16 on-peak winter; \$0.16749 per kWh for on-peak summer; and \$0.06735 per
17 kWh for all off-peak charges, to include weekends and holidays. DESC
18 measures both inflows and outflows of power on a 15-minute interval basis.
19 These 15-minute measurements are then aggregated within the month by
20 TOU billing period. The applicable rate, as outlined in the Solar Choice

Tariff will then be applied to those cumulative amounts by TOU period for both customer usage and exports.

- DESC is also proposing time-based avoided energy credits for exported power. Since the changes (regarding time differentiation of avoided energy credits and line losses) proposed by DESC Witness Everett in the Generic Docket have not yet been approved, DESC used the NEM Methodology Value of \$0.03522/kWh and supporting inputs approved by the Commission in Order No. 2020-244 in Docket No. 2019-184-E in all analyses conducted in the development of its Solar Choice Tariff proposals.

- For DESC's Small General Service customers, the Solar Choice Tariff provided in Exhibit No. ____ (AWR-2) adopts a tariff structure similar to its residential offering, but with charges that more closely reflect the cost to serve this customer class. These charges are summarized below:

- The proposed BFC charge is \$32.50 per month. This charge is required to recover DESC's customer-related costs as outlined in DESC's current rate case docket (2020-125-E).

- The proposed Subscription Fee is \$6.50 per kW of installed renewable generation capacity. This fee is intended to recover the fixed transmission and distribution system costs for residential customers on the DESC system, as more fully discussed by DESC Witness Everett. The Solar Choice Tariff

1 also includes a minimum monthly Subscription Fee of \$48.75, which is based
2 upon a system size of 7.5 kW multiplied by the amount of the Subscription
3 Fee listed above.

4 ○ The tariff includes TOU periods, with on-peak hours of 5:00 A.M. to 9:00
5 A.M. during winter months (December through February) and 4:00 P.M. to
6 8:00 P.M. during summer months (June through September). These time
7 periods will align more closely with DESC's projected future peak periods
8 for energy usage. The proposed energy charges are \$0.18764 per kWh for
9 on-peak winter; \$0.17030 per kWh for on-peak summer; and \$0.06874 per
10 kWh for all off-peak charges, to include weekends and holidays. DESC
11 measures both inflows and outflows of power on a 15-minute interval basis.
12 These 15-minute measurements are then aggregated within the month by
13 TOU billing period. The applicable rate, as outlined in the Solar Choice
14 Tariff will then be applied to those cumulative amounts by TOU period for
15 both customer usage and exports.

16 ○ DESC is also proposing time-based avoided energy credits for exported
17 power. Since the changes (regarding time differentiation of avoided energy
18 credits and line losses) proposed by DESC Witness Everett in the Generic
19 Docket have not yet been approved, DESC used the NEM Methodology
20 Value of \$0.03522/kWh and supporting inputs approved by the Commission

1 in Order No. 2020-244 in Docket No. 2019-184-E in all analyses conducted
2 in the development of its Solar Choice Tariff proposals.
3

4 **ADDITIONAL ACT 62 CONSIDERATIONS**

5 **Q. WHY DOES DESC UTILIZE THE RATEMAKING TOOLS MENTIONED**
6 **ABOVE IN ITS SOLAR CHOICE TARIFFS?**

7 A. As DESC Witness Everett describes in more detail, cost-shift typically arises
8 under NEM programs in two ways: self-consumption and exports. The first relates
9 to the inability to recover fixed costs that are charged using volumetric energy rates.
10 The BFC, the Subscription Fee, and minimum Subscription Fee are all designed to
11 work together to ensure proper recovery and thereby reduce the associated cost-
12 shift. The second arises from providing an inflated value to these customer-
13 generators for the power exported to the DESC system because such costs must then
14 be recovered from other customers. To address cost-shift resulting from exporting
15 excess generation, DESC has also utilized time-based avoided cost credits to more
16 accurately reflect the value provided to the DESC system by that generation.
17

18 **Q. PLEASE DESCRIBE HOW THE SOLAR CHOICE TARIFFS PERMIT**
19 **SOLAR CHOICE CUSTOMER-GENERATORS TO USE CUSTOMER-**
20 **GENERATED ENERGY BEHIND THE METER WITHOUT PENALTY.**

1 A. All of the energy generated by the customers renewable generation that is
2 used behind DESC's meter offsets the full on/off peak energy charge with no
3 limitation or penalty.
4

5 **RATE ADMINISTRATION**

6 **Q. WILL DESC RECOVER AVOIDED COSTS DIFFERENTLY UNDER THE**
7 **SOLAR CHOICE TARIFFS THAN UNDER CURRENT NEM PROGRAMS?**

8 A. Yes. DESC will recover the avoided cost credits paid to customer-generators
9 for excess power exported to the grid as purchased power fuel expenses as permitted
10 under the Fuel Clause, and in a similar manner as its existing PURPA-related power
11 purchases.
12

13 **Q. HOW OFTEN AND WHEN WILL DESC UPDATE ITS NEW ACT 62**
14 **AVOIDED COST CALCULATIONS AND CORRESPONDING**
15 **METHODOLOGY?**

16 A. Act 62 requires that "value of the energy produced by customer-generators
17 must be updated annually and the methodology revisited every five years."¹
18 Therefore, DESC proposes to update these values each year in its annual fuel
19 proceeding and revisit the methodology every five years in accordance with Act 62.
20

¹ S.C. Code Ann. § 58-40-20(E).

1 **Q. WHEN DEVELOPING THE SOLAR CHOICE TARIFFS, DID DESC**
2 **CONSIDER CURRENT METERING CAPABILITIES AND THE COSTS OF**
3 **UPGRADING HARDWARE AND BILLING SYSTEMS TO IMPLEMENT**
4 **THE SOLAR CHOICE TARIFFS, AS DESCRIBED WITHIN ACT 62?**

5 A. Yes. In fact, DESC is currently implementing Advanced Metering
6 Infrastructure (“AMI”) technology across its system. DESC’s analysis of the Solar
7 Choice Tariffs as proposed indicates that with the implementation of AMI
8 technology, it will not need to make further upgrades to any hardware or billing
9 systems to implement the Solar Choice Tariffs.

10
11 **Q. ARE THERE ANY OTHER HIGH-LEVEL CONSIDERATIONS THAT**
12 **THE COMMISSION SHOULD ACCOUNT FOR WHEN EVALUATING**
13 **THE SOLAR CHOICE TARIFFS?**

14 A. Act 62 provides the Commission with a guide for its consideration of the Solar
15 Choice Tariffs. As required by Act 62, the Solar Choice Tariffs mitigate cost-shift²,
16 permit consumption behind the meter without penalty³, and compensate customer-
17 generators for the benefits provided by their generation to the power system.⁴ As
18 such, DESC respectfully requests that the Commission approve the Solar Choice

² S.C. Code Ann. § 58-40-20(G)(1).

³ S.C. Code Ann. § 58-40-20(G)(2).

⁴ S.C. Code Ann. § 58-40-20(F)(3).

1 Tariffs as presented by DESC in this docket and find that they comply with the
2 requirements of Act 62.

3
4 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5 A. Yes.

**SUBSCRIPTION SOLAR CHOICE
FOR RENEWABLE ENERGY FACILITIES****FOR RESIDENTIAL SERVICE CUSTOMERS**
(Page 1 of 3)**AVAILABILITY**

This rate is available exclusively to residential customers using the Company's standard service in conjunction with a renewable energy generator effective June 1st, 2021. The premise will be specified as a single point of delivery per premises from an existing distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. Delivered energy is not available for resale service nor shall produced energy be sold to other customers

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts 2 wire, 120/240 volts 3 wire, or 120/208 volts 3 wire.

RATE PER MONTH

Basic Facilities Charge: \$19.50

Subscription Fee: \$5.40 per kW of installed capacity (minimum Subscription Fee is \$16.20)

Energy Charge (for all power delivered from the Company to the customer):

	Summer	Winter
<u>All on-peak kWh @</u>	<u>\$0.16749 per kWh</u>	<u>\$0.18417 per kWh</u>
<u>All off-peak kWh @</u>	<u>\$0.06735 per kWh</u>	<u>\$0.06735 per kWh</u>

DETERMINATION OF TIME-OF-USE PERIODS**A. On-Peak Hours:**

Summer On-Peak hours are defined as June – September the hours of 4:00 P.M. to 8:00 P.M. excluding holidays*

Winter On-Peak hours are defined as December – February the hours of 5:00 A.M. to 9:00 A.M. excluding holidays*

B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

CREDIT PER MONTH

For all power provided by the customer to the Company's system, the credit per kWh will be as detailed below as defined per Public Service Commission of South Carolina Order No. 2021-_____.

	Summer	Winter
<u>All on-peak kWh @</u>	<u>\$0.03651 per kWh</u>	<u>\$0.03796 per kWh</u>
<u>All off-peak kWh @</u>	<u>\$0.03622 per kWh</u>	<u>\$0.03622 per kWh</u>

On and off peak periods for the Credit Per Month shall be the same as those detailed for the energy charges above.

**SUBSCRIPTION SOLAR CHOICE
FOR RENEWABLE ENERGY FACILITIES****FOR RESIDENTIAL SERVICE CUSTOMERS**
(Page 2 of 3)**DEFINITIONS**

1. Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates or discharges electricity from a Renewable Energy Resource, including an energy storage device configured to receive electrical charge solely from an onsite Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity to offset no more than the customers annual usage as determined by DESC and not more than twenty kilowatts (20 kW AC);
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.
2. Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from renewable resources, combined heat and power derived from renewable resources, and biomass resources.

**ADJUSTMENT FOR FUEL, VARIABLE ENVIRONMENTAL & AVOIDED CAPACITY, AND DISTRIBUTED ENERGY
RESOURCE COSTS**

Fuel costs of \$.02359 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina. A charge of \$1.00 per account per month will be added to the charges above for the recovery of approved Distributed Energy Resource Program incremental costs.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00220 per kWh for Demand Side Management expenses.

PENSION COSTS COMPONENT

The energy charges above include a Pension Costs component of -.00017 per kWh as approved by the Public Service Commission of South Carolina.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

CAPITAL COST RIDER COMPONENT

The above charges reflect the Capital Cost Component Rider adjustment as approved by the Public Service Commission of South Carolina.

TAX RIDER

The above charges will be reduced by 3.07% to reflect the Tax Rider as approved by the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**SUBSCRIPTION SOLAR CHOICE
FOR RENEWABLE ENERGY FACILITIES****FOR RESIDENTIAL SERVICE CUSTOMERS**
(Page 3 of 3)**PAYMENT TERMS**

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. All metering shall be at a location that is approved by the Company.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this rider.

**SUBSCRIPTION SOLAR CHOICE
FOR RENEWABLE ENERGY FACILITIES****FOR SMALL GENERAL SERVICE CUSTOMERS**
(Page 1 of 3)**AVAILABILITY**

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general light and/or power purposes such as commercial, industrial, religious, and charitable institutions, in conjunction with a renewable energy generator effective June 1st, 2021. It is not available for resale service.

The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts 2 wire, 120/240 volts 3 wire, or 120/208 volts 3 wire.

RATE PER MONTH

Basic Facilities Charge: \$32.50

Subscription Fee: \$6.50 per kW of installed capacity (minimum Subscription Fee is \$48.75)

Energy Charge (for all power delivered from the Company to the customer):

	Summer	Winter
<u>All on-peak kWh @</u>	<u>\$0.17030 per kWh</u>	<u>\$0.18764 per kWh</u>
<u>All off-peak kWh @</u>	<u>\$0.06874 per kWh</u>	<u>\$0.06874 per kWh</u>

DETERMINATION OF TIME-OF-USE PERIODS**A. On-Peak Hours:**

Summer On-Peak hours are defined as June – September the hours of 4:00 P.M. to 8:00 P.M. excluding holidays*

Winter On-Peak hours are defined as December – February the hours of 5:00 A.M. to 9:00 A.M. excluding holidays*

B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

CREDIT PER MONTH

For all power provided by the customer to the Company's system, the credit per kWh will be as detailed below as defined per Public Service Commission of South Carolina Order No. 2021-_____.

	Summer	Winter
<u>All on-peak kWh @</u>	<u>\$0.03651 per kWh</u>	<u>\$0.03796 per kWh</u>
<u>All off-peak kWh @</u>	<u>\$0.03622 per kWh</u>	<u>\$0.03622 per kWh</u>

On and off-peak periods for the Credit Per Month shall be the same as those detailed for the energy charges above.

**SUBSCRIPTION SOLAR CHOICE
FOR RENEWABLE ENERGY FACILITIES****FOR SMALL GENERAL SERVICE CUSTOMERS**
(Page 2 of 3)**DEFINITIONS**

1. Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates or discharges electricity from a Renewable Energy Resource, including an energy storage device configured to receive electrical charge solely from an onsite Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity to offset no more than the customers annual usage as determined by DESC;
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.
2. Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from renewable resources, combined heat and power derived from renewable resources, and biomass resources.
3. The Company's Small General Service rate schedules are comprised of Rates 3,9,10,11,12,13,14,16,22, and 28.

**ADJUSTMENT FOR FUEL, VARIABLE ENVIRONMENTAL & AVOIDED CAPACITY, AND DISTRIBUTED ENERGY
RESOURCE COSTS**

Fuel costs of \$.02357 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina. A charge of \$5.85 per account per month will be added to the charges above for the recovery of approved Distributed Energy Resource Program incremental costs.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00402 per kWh for Demand Side Management expenses.

PENSION COSTS COMPONENT

The energy charges above include a Pension Costs component of -.00017 per kWh as approved by the Public Service Commission of South Carolina.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

CAPITAL COST RIDER COMPONENT

The above charges reflect the Capital Cost Component Rider adjustment as approved by the Public Service Commission of South Carolina.

TAX RIDER

The above charges will be reduced by 3.07% to reflect the Tax Rider as approved by the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**SUBSCRIPTION SOLAR CHOICE
FOR RENEWABLE ENERGY FACILITIES****FOR SMALL GENERAL SERVICE CUSTOMERS**
(Page 3 of 3)**PAYMENT TERMS**

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. All metering shall be at a location that is approved by the Company.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this rider.